

| Guide for Review of EZ Cost Allowability | | | |
|--|--|------|--|
| Name of Program Participant: | | | |
| Staff Consulted: | | | |
| Name(s) of Reviewer(s) | | Date | |

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

Instructions: This Exhibit is designed to evaluate the EZ's cost allocation procedures for costs charged to Implementation Plans (IPs). Compliance is based on OMB Circular A-87 and 24 CFR Part 85.22 (for governmental units) and 24 CFR 84.27 (for nonprofit organization). These requirements are incorporated by reference in the Round II EZ Grant Agreement, Section I.D.

Questions

1.

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|---|--------------------------|--------------------------|
| Does a spot check of a sample of the following items of cost reveal any obvious instances where these expenditures were not necessary and reasonable for proper and efficient administration of the EZ program: [EZ Grant Agreement, Section I.D; 24 CFR 85.22 or 24 CFR 84.27; OMB Circular A-87, Attachment B or OMB Circular A-122, Attachment B] | | |
| a. salaries and related costs? [OMB Circular A-87, Attachment B.8 or OMB Circular A-122, #8] | <input type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| b. professional service contracts (e.g., legal, account, audit, consulting)? [OMB Circular A-87, Attachment B.32 or OMB Circular A-122, Attachment B, #37] | <input type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| c. travel expenditures? [OMB Circular A-87, Attachment B, #43 or OMB Circular A-122, Attachment B, #51] | <input type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| d. other administrative costs (e.g., training)? [OMB Circular A-87, Attachment B, #42 or OMB Circular A-122, Attachment B, #49] | <input type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| Describe Basis for Conclusion: | | |
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Exhibit 14-6
Round II Empowerment Zones (EZs)

2.

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|---|---------------------------------|--------------------------------|
| Does a review of EZ program expenditures reveal the existence of any unallowable costs as itemized in OMB Circular A-87, Attachment D, (or OMB Circular A-122, for nonprofit subrecipients) including: [EZ Grant Agreement, Section I.D; 24 CFR 85.22 or 24 CFR 84.27] | | |
| a. entertainment? [OMB Circular A-87 or OMB Circular A-122, Attachment B, #14] | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. contributions and donations? [OMB Circular A-87 or OMB Circular A-122, Attachment B, #12] | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. fines and penalties? [OMB Circular A-87 or OMB Circular A-122, Attachment B, #16] | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| d. general governmental expenditures including salary and expenses of the chief executive officer of the EZ? [OMB Circular A-87 or OMB Circular A-122, Attachment B, #19] | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Describe Basis for Conclusion: | | |

3.

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| Have any costs related to lobbying activities been charged to the EZ program? [EZ Grant Agreement, Section I.D; 24 CFR 85.22 or 24 CFR 84.27] | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Describe Basis for Conclusion: | | |

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|---|--------------------------|--------------------------|
| Are costs charged to the EZ program after subtraction of all applicable credits? [EZ Grant Agreement, Section I.D; 24 CFR 85.22 or 24 CFR 84.27] | <input type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| Describe Basis for Conclusion: | | |
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| Are costs charged to the grant program not allocable to or included as a cost of any other Federally financed program in the period under review? [EZ Grant Agreement, Section I.D; 24 CFR 85.22 or 24 CFR 84.27] | <input type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| Describe Basis for Conclusion: | | |
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|---|--|---------------------------------------|--|
| <p>If the EZ charges indirect costs to the grant program, are such costs supported by an Indirect Cost Rate/Cost Allocation Plan prepared in accordance with OMB Circular A-87, Attachment A, Section F? [EZ Grant Agreement, Section I.D; 24 CFR 85.22]</p> | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <p>Describe Basis for Conclusion:</p> | | | |

7.

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| If subrecipients charge indirect costs to the EZ program, are such costs supported by an Indirect Cost Rate/Cost Allocation Plan prepared in accordance with OMB Circular A-122, Attachment A, Section C? [EZ Grant Agreement, Section I.D; 24 CFR 84.27] | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Describe Basis for Conclusion: | |

8.

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| Does a review of the personnel roster of staff being paid from EZ funds reveal any obvious instances of personnel being paid from, but not working on, EZ program activities? [EZ Grant Agreement, Section I.D; 24 CFR 85.22 or 24 CFR 84.27] | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Describe Basis for Conclusion: | |